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MICHIGAN HOUSE OF REPRESENTATIVES

JIM TOWNSEND
STATE REPRESENTATIVE

COMMITTEES

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WORKFORCE AND TALENT
DEVELOPMENT

30 Years of Wage Stagnation Under Dem & Rep Rule... Let's work to find a bipartisan solution

Dear Colleagues,

On the reverse side of this letter you will find two graphs of median household income data from the U.S. Census Bureau. I'm sharing this information in an effort to underline the pervasive issue of stagnating household income and declining wages.

The bottom line is that household incomes have been stagnant for the past three decades. The short-term gains we experienced in the 1980s and 1990s have been decimated by declining wages since 1999. For instance, when adjusted for inflation, the median household income in 1984 was \$49,041, compared to \$48,801 today.

It is also important to highlight the issue of steadily declining median household income since 1999. When adjusted for inflation, median household income has declined by over 24 percent since 1999, which amounts to \$15,633 annually. This represents a huge loss in earnings for working families.

While the unemployment rate has slowly declined since the recession, wages have not recovered. Median household income is 13 percent below pre-recession levels. As we look to address the issue of labor shortages, I believe we need to be conscious of these facts.

It is important to note that the percentage of dual-income households has increased significantly during this period. According to the Department of Labor Statistics, from 1970 to 1993, the percentage of dual-income households rose from 39 to 61 percent, meaning many more households are relying on an additional income to offset declining wages. In the interest of working families and our local economies, it is critical that we reverse this trend.

Gov. Snyder accurately recognizes the need to improve training and apprenticeship programs to help Michiganders qualify for high demand jobs, but the evidence and basic economic theory suggests this won't be enough. Too many of these occupations have experienced stagnant and declining wages, which have failed to attract well-trained applicants. Increasing the supply of qualified applicants will not result in increased wages and benefits for these workers. The opposite is actually likely to occur.

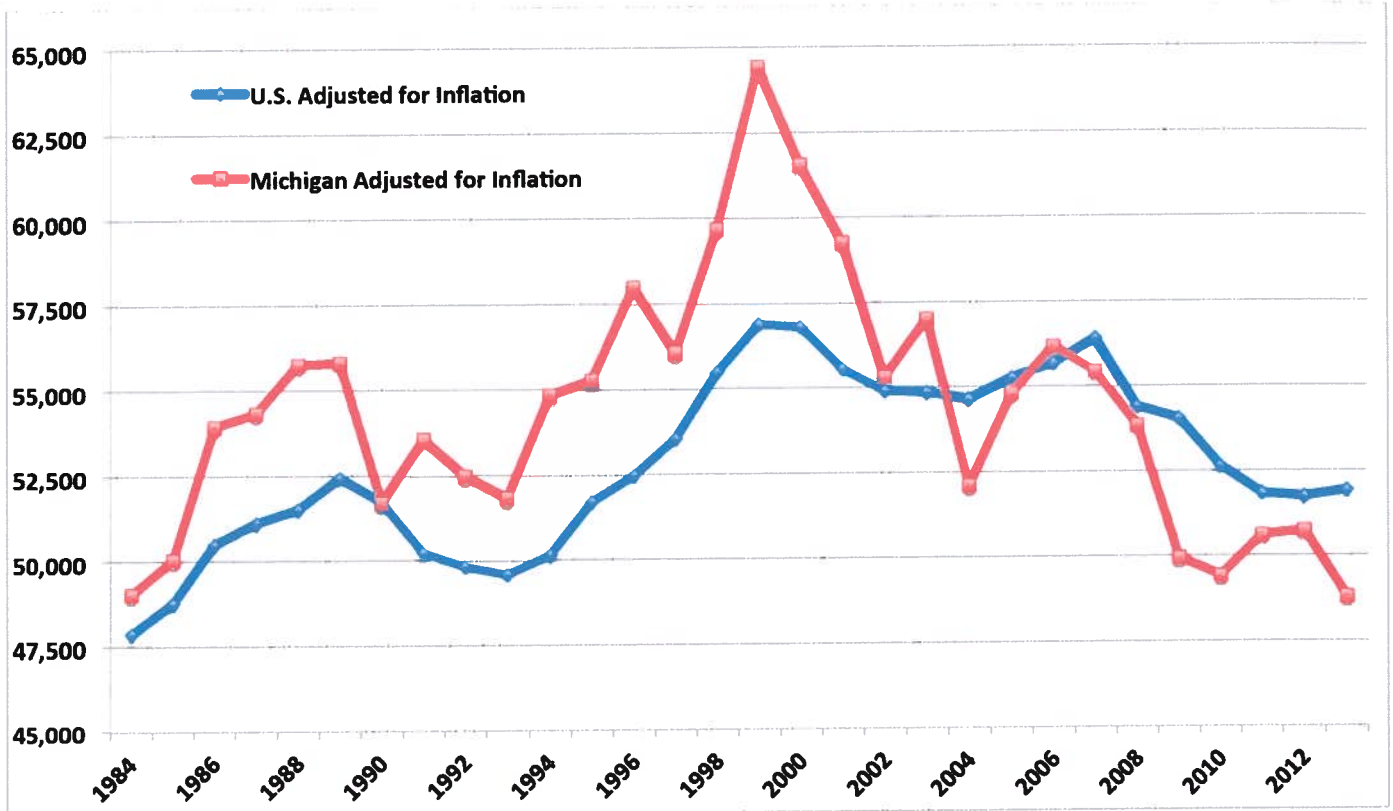
While working to improve training and apprenticeship programs, we must also make an effort to identify ways to empower Michigan workers by enhancing their ability to bargain for better wages and benefits.

Thank you for your time and consideration. I look forward to working with you during the course of the new session to help address this issue.

Sincerely,

Jim Townsend
State Representative
26th District

Michigan Median Household Income 1984-2013 (Adjusted for Inflation)



Michigan Median Household Income 1999-2013 (Adjusted for Inflation)

